

MANISTEE CITY COUNCIL

MEETING ADDENDUM

Tuesday, December 16, 2014 - 7:00 p.m. – Council Chambers

I. Call to Order.

c.) MOTION TO AMEND THE AGENDA.

Motion to amend the agenda to add items VIII. New Business e.) and f.) allowing action by Council on these two additional items.

VIII. New Business.

e.) CONSIDERATION OF A SEPARATION AGREEMENT WITH CITY ASSESSOR JULIE BEARDSLEE.

At the December 9, 2014 Council work session the majority of City Council supported entering into a Separation Agreement with City Assessor Julie Beardslee. Ms. Beardslee has informed the City of Manistee of her decision to retire in early 2015. Initially Ms. Beardslee informed Council of her decision to retire January 30, 2015. However, after additional discussion, Ms. Beardslee agreed to continue in her current role until mid-March, 2015 that would include her signing the March 2015 tax roll and completing the March Board of Review.

In return for Ms. Beardslee continuing in her current position until March 2015, City Council agreed to enter into a Separation Agreement with Beardslee granting her a 25% severance and continued single person health insurance until the end of 2015.

Attached is a letter from Ms. Beardslee to City Council that identifies the terms she is willing to commit to in order to stay in her position until mid-March 2015. This letter is being referred to as a Letter of Understanding.

In order for Ms. Beardslee to work cooperatively with the Municipal Employees Retirement System (MERS), she has requested that City Council approve the Letter of Understanding that can be submitted to MERS.

At this time Council could take action to approve the Letter of Understanding with City Assessor Julie Beardslee and direct the City Manager to draft a Separation Agreement that will be brought back to City Council.

f.) CONSIDERATION OF AMENDING THE READY TO SERVE CHARGE ON SPRINKLING METERS.

At the December 9, 2014 Council work session City Council discussed eliminating the Ready to Serve (RTS) charge on second sprinkling meters. The majority of Council was in support of removing the second sprinkling meter charge, which will result in a reduction of approximately \$40,000 to the Utility Fund. Included in those Council discussions was the concept of potentially increasing the water rate by 15 cents from \$2.52 to \$2.67 per 1,000 gallons. Ultimately Council will need to decide if the revenue from the second sprinkling meter RTS charge is removed or if water rates are increased to accommodate the lost revenue.

At this time Council could take action to eliminate the second sprinkling meter Ready to Serve charge effective January 1, 2015 or as soon as operationally feasible.

MDD:cl

**Julie Beardslee
294 1st Ave.
Manistee, MI 49660**



December 15, 2014

**Honorable City Council
City of Manistee
Manistee, MI 49660**

**Mitch Deisch, City Manager
City of Manistee
70 Maple St.
Manistee, MI 49660**

Honorable City Council and City Officials,

Please consider this letter as a response to the following last offer from management regarding the separation of service for Julie Beardslee from the City of Manistee.

The Municipal Employee Retirement system has received my request for separation with a January 30, 2015 date. MERS needs an answer, and has been pressuring me to confirm or change this date. December 16, 2014 is about the latest date MERS will accept, for processing.

Contained in an e-mail from Mitch Deisch, dated 10-27-14 was the following offer:

After considerable discussion over your request and the pros/cons of the requests; the Council Personnel Committee felt they could support the following counter to your proposal:

Agree that you would continue on in your role as City Assessor until the end of March 2015; once the tax roll has been signed and the March Board of Review was held.

- 1. Draft a separation agreement between the City and Julie Beardslee honoring the three month severance costs identified in your 1990 contract with the City of Manistee.*
- 2. Provide additional health insurance until the end of calendar year 2015 (April through December 2015). The City will cover 100% of a single health insurance policy.*

The City of Manistee would agree to reimburse Julie Beardslee \$25,000, the equivalent of three months of wages and benefits, upon separation of service. The City will also provide additional assistance from the Manistee County Equalization Department to process the personal property assessment roll, reimbursing the County for employees' wages.

Although I will not be able to continue employment through the end of March, due to a previous commitment, I will certify the assessment roll, as of March 2, 2015 and assist the Board of Review on March 9 and 10, 2015. I have already notified Mitch Deisch, as to the situation. My anticipated retirement date will be mid-March.

I will need a written response with signature authority to authorize the separation agreement, no later than December 16, agreeing to the issues contained in a separation agreement, or a letter of agreement.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in blue ink that reads "Julie Beardslee". The signature is written in a cursive, flowing style.

Julie Beardslee



Finance\Treasurer's Office



Memo to: Mitch Deisch, City Manager

From: Edward Bradford, CFO *ENB*

Re: Ready to Serve Charge on Sprinkling Meters

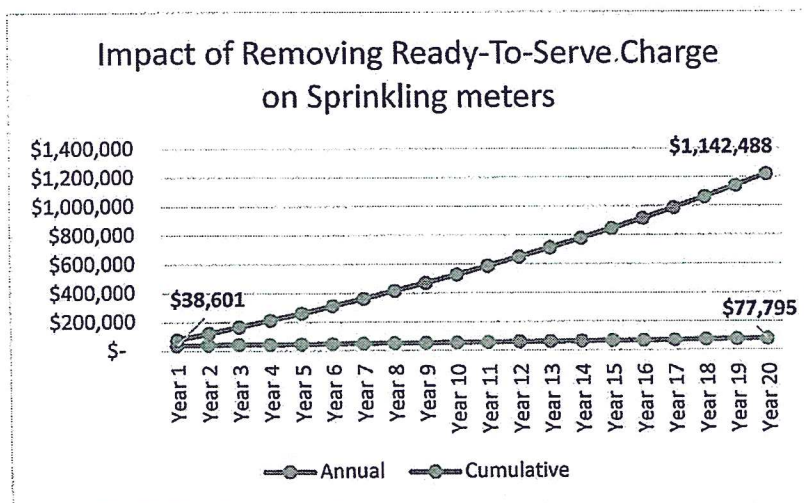
Date: December 5, 2014

Mitch,

You had requested that I provide some information on the impacts of removing the Ready to Serve ("RTS") charge on sprinkling meters. The annual impact of this is about \$39,000 in the first year. The impact increases over time as shown in the table (this assumes an 8.5% rate increase next year and 3.5% annually thereafter, which is what the rate study recommended).

You also asked what the impact of this change would be on the proposed water and sewer revenue bond that Council will be considering in the near future. The cumulative impact of this over the twenty year bond issue is about \$1,140,000. This is approximately 28% of the total debt service payments (interest & principal) on the preliminary bond sizing of \$3,150,000.

	Annual	Cumulative
Year 1	\$ 38,601	\$ 38,601
Year 2	\$ 41,882	\$ 80,483
Year 3	\$ 43,348	\$ 123,830
Year 4	\$ 44,865	\$ 168,695
Year 5	\$ 46,435	\$ 215,130
Year 6	\$ 48,060	\$ 263,191
Year 7	\$ 49,742	\$ 312,933
Year 8	\$ 51,483	\$ 364,417
Year 9	\$ 53,285	\$ 417,702
Year 10	\$ 55,150	\$ 472,852
Year 11	\$ 57,081	\$ 529,933
Year 12	\$ 59,078	\$ 589,011
Year 13	\$ 61,146	\$ 650,158
Year 14	\$ 63,286	\$ 713,444
Year 15	\$ 65,501	\$ 778,945
Year 16	\$ 67,794	\$ 846,739
Year 17	\$ 70,167	\$ 916,906
Year 18	\$ 72,622	\$ 989,528
Year 19	\$ 75,164	\$ 1,064,693
Year 20	\$ 77,795	\$ 1,142,488



Finally, you asked what the water volume charges would have to be to make up this revenue. The current water volume rate is \$2.52 per 1,000 gallons. The rate would have to increase to \$2.67 per 1,000 gallons to offset this revenue loss.